

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: U S WEST COMMUNICATIONS, INC., AND QWEST INC.	DOCKET NO. SPU-99-27
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ORDER GRANTING INTERVENTION

(Issued December 3, 1999)

On September 20, 1999, Qwest Communications Corp., LCI International Telecom Corp., USLD Communications Inc., Phoenix Network Inc., and Qwest Communications International Inc. (collectively "Qwest"), and U S WEST Inc. filed a "Joint Application" for an order approving the proposed merger of Qwest Inc. and U S WEST Inc. (collectively, the "Applicants") pursuant to IOWA CODE §§ 476.76 and 476.77 (1999). The filing has been identified as Docket No. SPU-99-27.

On November 15, 1999, the Association of U S WEST Retirees and NWB/US WEST Retiree Association (the Retiree Associations) filed a petition to intervene in this docket. The Retiree Associations state they have an interest in the subject matter of this proceeding, as the outcome of this proceeding will affect their members with respect to pensions and other benefits. They allege that the merger agreement filed with the Board by the Applicants provides that the surviving corporation will have no obligation to maintain the U S West and Qwest benefit plans as separate plans, which could dilute the pension funds available for members of the Retiree Associations. The Retiree Associations assert that the proposed

reorganization should not be approved by the Board unless and until their concerns have been addressed.

On November 22, 1999, the Applicants filed a statement in opposition to the Retiree Associations' petition to intervene. Applicants object to the requested intervention because they believe the Retiree Associations' expressed interests are beyond the scope of the statutory provisions governing this proceeding. Applicants argue the Board cannot take action to grant the Retiree Associations the relief they seek and that the interests of the Retiree Associations are separately protected by the federal Employee Retirement Income Security Act of 1974. Applicants also argue that the Retiree Associations' petition to intervene comes so late in this docket that it cannot be expected to assist the Board in its review of the proposed reorganization. Finally, Applicants urge that the interests of the general public will be adequately represented by the Consumer Advocate Division of the Department of Justice (Consumer Advocate).

The Board will grant the petition to intervene. It appears the asserted interests of the Retiree Associations are not directly represented by any other party to this docket. As noted in the petition to intervene, the Board has already required that the Applicants file additional information regarding their pension plans and other benefits plans. See Attachment A to the "Order Requiring Additional Information" issued November 5, 1999. It is possible that, in any proposed reorganization, changes to employee benefit plans could raise issues that affect the public interest, which is one of the factors the Board considers in its review of a proposed

reorganization. IOWA CODE § 476.77(3)"e." The Board is not, at this time, making any finding that pension plans or other employee benefit plans are an issue in this docket; instead, the Board is only stating that they could become an issue within the scope of the Board's review, such that the interests of the Retiree Associations may properly be heard by the Board in this docket.

The Board believes that the interests of the Retiree Associations are sufficiently different from those of the general public to justify their intervention and participation in this docket, apart from Consumer Advocate. However, the Retiree Associations must take the procedural schedule as they find it; the Board will not revise or extend the schedule to accommodate intervention at this stage of this docket.

IT IS THEREFORE ORDERED:

The petition to intervene filed on November 15, 1999, by the Association of US WEST Retirees and the NWB/US WEST Retiree Association is granted.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Judi K. Cooper
Executive Secretary, Deputy

/s/ Diane Munns

Dated at Des Moines, Iowa, this 3rd day of December, 1999.